

ANCHOR GROUP LIMITED

(Incorporated in the Republic of South Africa)
 (Registration number 2009/005413/06)
 ISIN: ZAE000193389 JSE share code: ACG
 (“Anchor”)



TRADING STATEMENT FOR THE HALF YEAR ENDED 30 JUNE 2017 AND DISCLOSURE OF ASSETS UNDER MANAGEMENT AND ADVICE

1. Assets under management

The directors of Anchor disclose the following group-wide assets under management and advice at 30 June 2017:

June 2017 reconciliation of assets under management and advice					
R'bn	YTD growth	YTD growth (R'bn)	End Jun 2017	End Dec 2016	End Jun 2016
Assets under management	4%	1.5	35.2	33.7	34.4
Assets under advice	18%	2.2	14.3	12.1	11.3
Total	8%	3.6	49.4	45.8	47.1

Anchor continued to grow its assets under management and advice in the first half of 2017. Total assets at 30 June 2017 were R49.4 billion, up R3.6 billion (+8%) for the half year. All of the growth in assets for the first half of 2017 was of an organic nature. During the first half the JSE All Share Index was up 1.9% and the Rand/USD exchange rate strengthened by 4.6%, negatively impacting the assets under management held directly offshore (measured in Rands). Anchor does not own 100% of all of its subsidiaries. Anchor’s attributable share of assets under management (excluding minority interests) was R29.1 billion, a 5.4% increase on the 31 December 2016 total of R27.6 billion.

2. Trading statement

In terms of the JSE Listings Requirements, companies are required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported will differ by at least 20% from the financial results for the previous corresponding period.

The table below shows the expectations for earnings, headline earnings, and adjusted headline earnings per share for the six months ended 30 June 2017.

Comparison against prior year:

	Current Half Year 2017	Prior Half Year 2016	% change
Earnings per share	18.3 cents - 20.3 cents	35.6 cents	-43 to -48
Headline Earnings per share	18.3 cents - 20.3 cents	33.9 cents	-40 to -46
Adjusted Headline earnings per share	20.7 cents – 22.8 cents	35.9 cents (*)	-36 to -42
Weighted average number of shares in issue	193.4	171.8	

(*) – For the period ended 31 December 2016, equity settled share option costs were excluded from adjusted headline earnings, and this has been adjusted upwards for the prior comparative period.

The majority of the earnings per share decline for the six months was due to the decline in earnings of the hedge fund associate and subsidiary, as well as 13% higher average shares in issue. Both of these factors have a bigger impact on the first half than the second half.

While turnover was up materially, the results were also influenced by 1) margin pressure across the group from an increase in costs, with flat market conditions and a stronger rand putting pressure on like-for-like turnover growth, 2) continued investment in institutional capacity and systems, 3) lower activity levels in a subdued market, 4) a below

budget return on Anchor's balance sheet assets which were largely invested in the seeding of new funds and 5) the successful launch of the stockbroking business.

Investment performance in 2017 has been pleasing, with local and global equity and managed funds in the top quartile of their Collective Investment Scheme categories (source: Moneymate).

Anchor's results for the half year ended 30 June 2017 will be released on or about 15 August 2017. The financial information on which this trading statement is based has not been reviewed or reported on by the Company's auditors.

7 August 2017

Designated Advisor

The logo for JAVACAPITAL features the word "JAVACAPITAL" in a bold, sans-serif font. A blue horizontal line is drawn across the letters "A", "V", and "C", passing through the middle of each letter.